

## BUSINESS OPPORTUNITIES IN MARAMUREȘ COUNTY

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*This paper categorizes and presents some of the most important business opportunities in Maramureș County, a county that is quite isolated from the rest of the region and from the Pan-European Corridors but nevertheless has good development potential in tourism, agriculture and industry. Any territory should be able to identify itself by its perennial values. It is necessary to identify the brands that are representative for Maramureș County and to advertise them.*

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### **1. Introduction**

In Maramureș County underground resources can be found in limited quantities, a situation which makes the existence of well-developed trade flows with other regions necessary in order to support economic activity. The poorest are the energy resources (coal, oil, natural gas), that are intensely exploited nowadays by the national economy and are far from satisfying needs. Other resources, however, are well represented:

- complex and gold-silver ores (in the Oaș-Gutâi-Țibleș-Rodna area) equaled, at a the national level, only by the resources of the South-West Region;
- bauxite (in Pădurea Craiului Mountains and Bihorului Mountains), the region emerges at a national level;
- salt (in Maramureș Depression), in considerable quantities;
- building materials, such as common limestone, marble, (in Viștea), kaolin (in Pârva and Aghireș), refractory clays (at Șuncuiuș), etc.

The share of land planted with cereals is very high (58.41%), even if the conditions of soil and climate are not favorable. In our opinion it is necessary to extend the land planted with sugar beet, oleaginous plants, tobacco, medicinal plants and other plants with high yield (vegetables and legumes, especially peas). Obviously, to support a strong livestock sector, fodder crops should reach at least 35% of the cultivated area.

Fiber plants are, in this context, a priority for the region, from at least two reasons:

- the region presents excellent climate and relief conditions for the cultivation of flax and hemp;
- increasing the cultivated areas is a sine qua non condition for the development of the textile industry, being the only option for a certain branch of the clothing industry that will refocus towards production under own brand name, making use of indigenous raw materials.

Another advantage is in the fruit industry. Also, Maramureș is among the first counties in terms of forest area, thus the opportunity for forestry. Forests are an important asset for the region, both in terms of raw materials and for the secondary activities of wood processing. However, there is a risk of deforestation as a result of irrational wood exploitation.

The development potential of Maramureș County is expressed through:

- possibilities for development of traditional craftsmanship (in metal, wood, wool);
- rich ethnographical content, that can help promote tourism;
- the existence of several universities in Baia Mare, providing superior qualification of the workforce (the university center Cluj is nearby);
- Maramureș County is well known internationally for rural tourism, for original peasant folk art and culture and for unique monuments (Săpânța, Moisei, Șurdești).

Unfortunately, Maramureș is unfavorably positioned relative to the internal market, as it occupies a quite isolated position, far from the capital and from the pan-European corridors.

But there also are many opportunities that can stimulate entrepreneurs to start a business in the county because of the fact that demand is not satisfied for a whole range of products.

Any territory should be able to identify itself by its perennial values. It is necessary to identify the brands that are representative for Maramureș County and to advertise them by local, national and international media. Thus, one can consider the following aspects as regional brand candidates:

- Maramureș – the civilization of wood.
- A certain black rock, typical for Maramureș – andesite.

- Maramureş – tourism and history.
- Eco-Maramureş – proposed as a brand according to policy on ecology.

As a conclusion, the goals set should converge towards developing a common language for describing Maramureş County (according to its brands) and improving its image – improvement that would have a positive impact on the economy.

## **2. Opportunities-Presenting Fields from an Entrepreneurial Point of View**

According to Maramureş County Development Plan 2007-2013, the following economic fields have priority:

- information technology and connected activities;
- machinery and equipment industry;
- agriculture;
- hotels and restaurants;
- furniture production;
- research.

Also, Maramureş County opted for a poli-centric model of development, emphasizing economic growth based on functional territory specialization. As a consequence, territorial planning units (TPU) – that correspond to areas where there are consistent characteristics and functionality throughout the area – have been identified in the county, The TPUs comprise several administrative units (communes and cities) without necessarily taking into account county boundaries.

### **2.1. Industry**

According to natural resources availability and development potential, the following industrial branches have priority in Maramureş County:

- machinery and equipment industry;
- clothing industry;
- furniture industry;
- food industry;
- wood industry;
- research.

**Areas with the greatest investment, turnover and staff are manufacturing, wholesale and retail trade, repairing of motor vehicles and personal and household goods.**

The following strategic goals were identified in Maramureş County:

- providing the infrastructure needed for the investor's activities;
- supporting small and medium enterprises as a local development engine, improvement of horizontal collaboration, establishment of clusters, creation and development of original products;
- supporting the establishment and development of business incubators;
- promoting research and innovation activities in the technology field and creating technology development centers (techno-parks);
- promoting imports that carry technological value, with the ultimate result of accumulating technological know-how;
- eliminating the raw material exports and supporting exports that carry technological value;
- eliminating the lohn cases and enhancing creativity and innovation for own creations.

### **2.2. Agriculture**

Agriculture plays an important role in the county's economy, in the following aspects:

- agriculture uses about 65% of the county's land and about 50% of the population are employed in agriculture, with a tendency of the population to move from the urban back to the rural;
- it provides over 40% of the cereals and almost 100% of the potatoes, fruits, meat, dairy and other food products used by the population.

Maramureş County's territory has natural assets that are favorable for development of agriculture (as a complex economic function). The following are the prevalent branches of agriculture in Maramureş:

- animal husbandry and animal production;
- cereal and technical plants production;
- fruit farming.

Corresponding to the three main branches of agriculture characteristic to the county, there are three developing industry branches – the ones dealing with the animal products (milk, meat, leather), with the technical plants (oleaginous and fiber plants) and with fruit.

Directly assuming and applying in the county's agriculture the regulations existing in developed countries or recommended by international organizations, without taking into account tradition, local specificity, professional qualifications, material base and, most of all, the mentality of the farmers or land owners has lead to obstacles that

have to be overcome for the sake of stability and durability in agriculture. Agriculture in Maramureş County is, actually, quite far from meeting the three capital demands:

- ecologic – not to be polluted or polluting;
- economic – to provide a decent living standard for farmers/rural population;
- social – to produce, in sufficient quantities, with quality level meeting the required standards and at prices accessible to the population, food products that are vital to the consumer masses; the social effect also has to reflect in employing the workforce.

Thus, we differentiate the following county strategic goals:

- development of the agriculture and forestry sector, so that they become competitive, dynamic and adapted to the economic environment;
- correlation of the production with the demand and with the industry's processing ability;
- diversifying of income generating activities in the rural environment;
- safeguarding the quality of the rural environment, supporting the activities that provide balance between human life and natural resource preservation;
- raising the life standards in the rural environment for attracting the workforce and for providing social development on a long term;
- providing a competitive environment, based on private initiative;
- implementing development models based on communitarian association that aim towards supporting local economic activity.

### **2.3. Tourism**

To support tourism development in Maramureş County, a measure plan was devised, with the following strategic priorities, organized according to the fields that it covers:

**- in the field of touristic infrastructure:**

- establishing tourist information centers;
- rehabilitating the roads to areas of touristic interest;
- recuperating and marking of touristic trails in the mountain areas;
- organizing themed touristic circuits;
- developing recreation, leisure areas and sport grounds;
- rehabilitating historic centers, museums and archeological sites:

**- in the field of sustainable development:**

- creating public-private partnerships for investing in the touristic field;
- securing close collaboration between administration, local communities and professional communities that are involved in tourism;
- making the most of the natural reservations by including them in the touristic circuits;

**- in the field of touristic marketing:**

- producing of promotional materials;
- creating and maintaining of a unique, original image (touristic logo);
- participating in national and international fairs and exhibitions;
- organizing of festivals and fairs;

**- in the field of human resources:**

- increasing the quality of services by organizing courses for the personnel employed in tourism.

## **3. Favorable Moments**

### **3.1. European Financing Opportunities and Local Opportunities**

Pre-accession funding (PHARE, ISPA, SAPARD) was available in the pre-accession period. Structural and cohesion funds have been available since 1 January 2007 (the date of Romania's accession to the EU). These financing sources bring considerable opportunities.

During the 2007-2013 programming period Romania will benefit from an amount of 19 667 million Euro from the Structural and Cohesion Funds of the EU. From these, 3 726 million Euro will be allocated to the Regional Operational Program (ROP).

The financing sources for ROP are: the European Regional Development fund (ERDF) (3 726.02 million Euro), national public funds (657.56 million Euro) and private funds (184.76 million Euro).

The eight regions will benefit, through POR, from an amount 4 436.83 million Euro, representing the contribution of the European Regional Development Fund and the national contribution (public and private). Also, the regions will benefit from Technical Assistance funding, amounting to 131.51 million Euro for the implementation of the whole program. These amounts have been distributed to the eight regions based on their development degree, as we can see in Table 1:

Table 1. Funding distribution for the eight developing regions

Region	Funding distribution for the 2007-2013 period	
	(Mil. Euro)	%
North-East	724.09	16.32
South-East	587.88	13.25
South	631.36	14.23
South-West	621.60	14.01
West	458.77	10.34
North-West	536.41	12.09
Center	483.62	10.90
București-Ilfov	393.10	8.86
<b>Total</b>	<b>4 436.83</b>	<b>100.00</b>

Source: Regional Operational Program 2007-2013, Government of Romania, Ministry of Development, Public Works and Housing, București, June 2007

The highest amount will be absorbed by the North-East Region and the București-Ilfov Region will absorb the lowest amount. The North-West Region, the one that Maramureș County is part of, is on the fifth place. Together with the European financing sources there are other opportunities, like, for instance, the business incubators.

In Maramureș County, during 1997, The Development Centre for Small and Medium Sized Enterprises Maramureș proceeded to establish such a Business Incubator in Baia Mare and completed the implementation in 1999, with the aid of PHARE/FIDEL financing.

### 3.2. Business Ideas for 2009

Having the world economy crisis as a background, talks about business opportunities are quite reserved. However, opportunities are linked to the fields that can obtain stable financing, either from European funds or from the state budget.

Due to the specificities of Maramureș County one of the development possibilities could be the high touristic (balneary, cultural, sightseeing, hunting) potential – Vișeu area, Iza area, Cosău-Mara area, Tg. Lăpuș, Sighet-Tisa, Căvnic-Baia Sprie, Izvoarele, etc. because of the following aspects:

- interest from tourists and tour operator networks;
- increasing domestic and international interest in agro-tourism;
- interest for cluster development;
- agro-tourism offers a viable development alternative for rural zones to subsistence agriculture and declining industries (mining);
- the existence of certain European (EAGGF – European Agricultural Guidance and Guarantee Fund) and government financing sources.

For this reason, in Maramureș County there are quite good possibilities of business development in tourism (rural tourism included) – tourism has grown in time and will continue to grow. Many lodging facilities for tourists have been built in the most beautiful areas of the county, in places where traditions are kept. For example in Ocna Șugatag many hotels, motels and villas have been built to meet the ever-growing demand. So any business idea that is linked to tourism, in Maramureș County, is an opportunity for any entrepreneur.

There also are business opportunities linked to the winter sports field – providing services to the people taking a vacation in the mountains, in the cold season: lodging, food, sports counseling and support, leisure activities.

Another development possibility could be given by the existence of certain craftsmen that are willing to pass on their craftsmanship knowledge to the young generation (in Moisei, Bârsana, Valea Izei, Ocna Șugatag, etc.) through:

- opportunities of participating in fairs and international exhibitions;
- demand for traditional products on external markets or from tourists.

In the end, we suggest the following business opportunities: waste recycling, furniture factories on a small scale, housekeeping services, child and patient care, event organizing, catering, fish farming (especially in touristic areas), quarries (especially now that certain building materials are necessary for strengthening the infrastructure).

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